

## **APG on Reducing Harm Related to Gambling – Inquiry Terms of Reference**

### **Gaming Machines in Northern Ireland:**

#### **About the APG**

The All Party Group on Reducing Harm Related to Gambling was recently established by MLAs to address issues associated with gambling harm in our community.

#### **Background**

An brief overview of gaming machines and FOBTs

Gaming Machines in Northern Ireland are legislated for in the [Betting, Gaming, Lotteries and Amusements \(Northern Ireland\) Order 1985](#) (the Order) and associated subordinate legislation. They are defined in Article 2 of the Order as being ‘any machine which: (a) is constructed or adapted for playing a game of chance by means of it; and (b) has a slot or other aperture for the insertion of money in the form of cash or tokens.’

Gaming machines can take many different forms – from the slot games in seaside arcades, to the fruit machines commonly found in pubs. These machines are regulated under Articles 95(1)(b) and 108 of the Order as ‘Amusements with Prizes’ machines.

FOBTs are a modern type of gaming machine. They were first introduced in the UK in the early 2000s and offer a variety of games on a digital platform. While in GB these machines were legislated for by the Gambling Act 2005, in Northern Ireland there is no legislation directly covering these machines. The official position of the Department for Communities is that these machines are ‘Gaming Machines’, under the 1985 Order, despite the fact that the machines in operation today offer play for much higher stakes and prizes than the Order permits.

#### **Issues emerging from the previous Inquiry**

The All Party Group recently concluded its inquiry into the future regulation of gambling in Northern Ireland. In the inquiry report, we highlighted that significant concerns existed around gaming machines in Northern Ireland – particularly so-called FOBTs. We highlighted that these machines, which are classed as B2 or B3 gaming machines under the relevant legislation in GB, are associated with very high levels of gambling-related harm, but are not directly legislated for or regulated in Northern Ireland.

In our previous inquiry’s Call for Evidence, we asked the following questions relating to gaming machines:

- Should Fixed Odds Betting Terminals (FOBTs) be legalised in Northern Ireland?

- If FOBTs are legalised in Northern Ireland, what policy measures can the Executive put in place to protect individuals from FOBT-related gambling harm?

Overall, we received 17 responses addressing the issues these questions raised – a summary of these responses can be found in the [appendices](#). Of these, nearly all the responses raised concerns about the proliferation of and lack of protections around FOBTs in Northern Ireland. In addition, it is perhaps noteworthy that all but one of the respondents called for some form of legislative change relating to FOBTs.

Much of the reason for this near-unanimity is that these machines are associated with particularly high levels of harm. In our report, we highlighted data from the GB Gambling Commission's 2016 Gambling Behaviour report, which showed that FOBTs have very high rates of problem gambling and at risk individuals among their users. These machines have also received high levels of press coverage during the past five years, especially during the successful campaign to reduce the maximum stake per 'spin' on FOBTs in GB to £2.

Our inquiry also found that the statistics on gaming machines are very sparse in Northern Ireland. The Department for Communities, the responsible department, does not know how many FOBTs are in operation here, how they are distributed geographically or what revenues they generate. It is possible to get some idea of how many machines are in operation here by multiplying the number of licensed betting shops in NI (estimated at 295 by the Turf Guardians Association) by the number of gaming machines each shop is allowed under the Betting, Gaming, Lotteries and Amusements Order 1985 (two per betting shop). There may therefore be nearly 600 FOBTs operating in these premises. However, this is not a complete picture, as it does not take into account FOBTs located in bingo halls or adult gaming centres. In addition, the assumption that each betting shop is only operating two machines is a flawed one, as many betting shops here run as many as four machines in line with the GB legislation.

As was identified in our last inquiry, two significant considerations in relation to gaming machines are the stake limit and the frequency of play (i.e., how many times the user can place a stake per minute). Northern Ireland's largest bookmakers have all agreed to voluntarily limit the stake limit on their FOBTs to £2 – in line with the stake reduction requirement brought into Britain in 2019. However, as there is no statutory requirement here to do so, there may still be some gaming machines operated in NI which accept higher stakes.

It is also unclear what, if any, restrictions are in place to reduce the frequency of play on machines in Northern Ireland. Field research carried out by the Secretariat suggests that machines here are largely programmed to mirror their counterparts in England, Wales and Scotland. B3 machines in GB allow a user to £2 stake every 2.5 seconds, or 1,440 'spins' per hour. Thus, the theoretical maximum losses from using one of these machines is £2,880 per hour. It should be understood that in reality this is extremely unlikely to happen – in practice, it is vanishingly unlikely that a gambler suffer such a consistent run of losses and would, in any case need time to

periodically load more money into the machine. However, it at least demonstrates how a high pace of play can lead to substantial losses on these machines.

Another important consideration is where these machines are located. In Britain, FOBTs have been associated with an increase in the number of Licensed Betting Offices, [often in 'clusters' in areas of higher socio-economic deprivation](#). During the course of the previous inquiry, we heard from the Institute for Public Health about research showing that those who live in close proximity to a cluster of FOBTs are more likely to experience gambling harm. While information on the location and number of Licensed Betting Offices is not maintained by the Department for Communities, anecdotal evidence would suggest that a similar situation exists in Northern Ireland.

A final issue that emerged from our inquiry related to product safety labelling. This point was raised by a group of academics based in the UK and Australia. They pointed to research they had recently published. This showed that warning labels on gambling products are often difficult to find and that they give statistical information on risk and reward that tends to lead users to feel that their chances of winning are better than they are. The researchers also found that one of the most common warning labels, which reads "When the FUN stops, stop", had no effect on how much people gambled. In some cases, the researchers found evidence that such labels may have actually been associated with higher rates of gambling.

### Current Legislative Developments

The Minister for Communities recently introduced to the Assembly the Betting, Gaming, Lotteries and Amusements (Amendment) Bill. This contains a provision to create new offences to make it illegal to let young people under 18 to play or be in areas containing high-stake gaming machines. It also provides the power to set up a Mandatory Code of Practice for the gambling industry. In a recent press release, the Minister announced that this Code of Practice will include a number of other requirements, including "[tighter controls on Fixed Odds Betting Terminals \(FOBTs\)](#)."

The Minister has announced that the Bill is the first stage of a two-phased programme to update our gambling laws. The second phase is intended to have a much broader remit and to deliver much larger changes to Northern Ireland's gambling laws.

### Scope of the inquiry

This inquiry will examine the issue of gaming machines in Northern Ireland, seeking to outline a regulatory regime for gaming machines with gambling harm reduction at its core. It will consider associated issues, including:

- The legal position of gaming machines in NI and other jurisdictions
- What level of regulation is appropriate for different types of gaming machine
- Additional protections for children and young people

- The human cost for those who have suffered harm as a result of using gaming machines

## **Structure of the inquiry**

### Call for Written Evidence

Organisations and individuals are invited to make written submissions to the APG that address some or all of the following issues:

1. Do the regulations on gaming machines currently in force in Northern Ireland provide adequate protection for people here?
2. Do you believe that the Betting, Gaming, Lotteries and Amusements Bill, currently passing through the Assembly, will introduce sufficiently strong protections for people here?
3. Do measures contained in the Gaming, Betting, Lotteries and Amusements (Amendment) Bill to provide additional protections for young people go far enough, or are stronger protections needed?
4. Responding to the Minister's announcement that 'tighter controls on FOBTs' will be included in the proposed new Code of Practice for gambling operators, do you believe this is an appropriate means of regulating these machines? What measures, if any, relating to FOBTs and other gaming machines would you like to see contained in the Code of Practice?
5. With regard to gaming machines, are the current licensing arrangements for gambling premises sufficient? Should individual licenses for each gaming machine be considered?
6. What statistical information on gaming machines should be collected and made available by the Department and its agencies?
7. How should a new regulatory regime for gaming machines be enforced?

The call for written evidence will open on Wednesday 24 November and will close at midnight on Wednesday 15 December.

### Oral Evidence Sessions

The APG will hold four oral evidence sessions commencing in December 2021. We will extend invitations to give evidence to gambling harm reduction advocates, industry executives, public health experts, clinicians and academics.

### Report

A report, based on the written and oral evidence, will be produced which will make recommendations to the Northern Ireland Executive.

## Appendices

### Appendix 1 – Call for Written Evidence Responses

A summary of the responses we received to the questions on FOBTs in our Call for Written Evidence can be found below:

- **CARE NI** called for the need to legislate to eradicate legal grey areas around gaming machines, and for the Department or regulatory body in charge of regulation to know how many gaming machines are in operation and their location. The organisation also called for regulations to define stake limits and for comprehensive consumer protection measures to be introduced, including self-exclusion, time and spend limits, mandatory alerts and a ban on contactless payments and credit card gambling.
- **Clean Up Gambling**, a major UK Gambling Harm Reduction campaigning organisation, called for a maximum stake of £1 per spin. It also called for consideration to be given to affordability, saying it was 'illogical' to allow machine gaming at a theoretical loss to the gambler of more than the minimum wage.
- The **Betting and Gaming Council**, who represent the UK's betting and gaming industry, highlighted the fact that the NI gambling industry had voluntarily agreed to follow GB's lead in reducing the stake limits on FOBTs. They also highlighted safety mechanisms that are in place on these machines, including on-screen safer gambling machine and the tracking of users play for 'markers of concern' using the Anonymised Player Awareness System.
- **Cllr John Kyle**, a Belfast City Councillor and GP with a long history of engagement on gambling issues, argued for a legalisation of FOBTs, to allow for them to be regulated and for their numbers to be controlled and capped.
- **Derek Webb**, who funded and contributed the campaign to reduce the stake limit on FOBTs in GB to £2, argued that FOBTs are illegal in Northern Ireland and that any new NI gambling act should remove all such machines from betting shops.
- **Dunlewey Addiction Services**, an organisation that provides support services to people with a range of addictions, including gambling, argued that legislation was needed to reduce the maximum stake until it was "low enough to limit potential harm and reduce usage and loss." They also argued that any legislation needed to be clear and unambiguous.
- The **Extern Problem Gambling Service**, an all-island support service for people living with gambling harm, raised issues around children's access to gaming machines. They pointed to statistics from the GM Gambling Commission's Young People and Gambling Survey 2019 showing that 66% of 11-16 year-olds surveyed said they'd never been stopped from gambling for being too young. They also argued that allowing children to use gaming machines at all was very concerning, as these machines expose children to the same intermittent reinforcement schedules as on adult-only machines – which has been shown to be addictive by design.

- **Alex Macey**, CEO and Founder of **Gamvisory**, attributed much of the gambling harm he suffered to having been “exploited by numerous gambling companies, both as a result of Fixed Odds Betting Terminal play and online play.”
- **GVC Holdings**, a major global sports betting company and the parent company of Coral, who supply many of the so-called FOBTs in operation in Northern Ireland, argued that these machines should be subject to the same regulation as they are in GB.
- **Charles and Liz Ritchie**, Founder-Trustees of gambling harm reduction charity **Gambling with Lives**, argued that gambling products should be proven to be safe and non-addictive before they can be marketed. They went on to say that “this would mean that Fixed Odds Betting Terminals should not be available in their current form.”
- The **Institute of Public Health** argued that FOBTs should not be legalised in Northern Ireland and that any existing FOBTs should be removed.
- The **Methodist Church in Ireland** said that FOBTs should not be legalised here.
- **Mid and East Antrim Borough Council** expressed concern about the prize levels of FOBTs and said they would be keen to see greater enforcement with regard to these machines. The Council also said they supported recent proposals for these machines to accept payment via means other than coins, but that they were not in favour of permitting credit or debit cards, or contactless payments.
- **The Northern Ireland Amusement and Catering Trade Association**, an trade body representing a number of gambling operators, argued that the current legislation applying to FOBTs was inadequate and open to loose legal interpretation. They said that this “leaves the door open for rogue operators only too ready to exploit the most vulnerable.”
- **Lukasz Walasek, Elliot A. Ludvig, Phillip W.S. Newall and Henrik Singmann**, four academics working in Coventry, London and Melbourne, provided evidence on the effectiveness of statistical warning labels for gambling products. While not dealing directly with the questions on FOBTs posed in the APG's call for written evidence, their submission raised questions about current warning labels on gambling products, arguing that they present statistical information in a way that is unclear to non-statisticians and that ‘When the Fun Stops, Stop’ labels are ineffective in reducing gambling. These issues should be considered as part of the inquiry.
- The **Addiction Research Group at the University of South Wales** said that their research showed that people who engage with FOBTs and online sports betting were much more likely to experience risk of problems in their gambling behaviour. They argued for a ban on the use of credit cards to gamble and the implementation of FOBT stake limits.
- **Youth Work Alliance**, a membership organisation that provides support to local youth work providers across Northern Ireland, argued that bets on FOBTs should be limited to £2, that only one machine should be allowed per betting shop and that spending limitations should be placed on customers' accounts.